This section sets out an overview of the current laws and regulations applicable to the Group in the PRC that may materially affect the Group and its operations. The principal objective of this section is to provide potential [**REDACTED**] with an overview of the key laws and regulations applicable to the Group.

Save for the disclosure under "Business — Legal Proceedings and Compliance — Compliance — Approval of the Relevant National Ministry for Satellites", during the Track Record Period and up to the Latest Practicable Date, we had not been and were not involved in any non-compliance that led to fines, enforcement actions or other penalties that could, individually or in the aggregate, have a material adverse effect on our business, financial condition or results of operations.

THE PRC LAWS AND REGULATIONS RELATING TO OVERSEAS LISTING

Trial Administrative Measures of Overseas Securities Offering and Listing

On February 17, 2023, CSRC released the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》), effective March 31, 2023.

According to the Trial Administrative Measures, (i) a domestic enterprise in the PRC that directly or indirectly issues securities outside the PRC or lists and trades its securities outside the PRC shall file a report with the CSRC and submit the relevant materials; (ii) the direct overseas issuance and listing of a domestic enterprise refers to the overseas issuance and listing of shares of a joint stock limited company registered and established in the PRC; and (iii) any domestic joint stock limited company shall file a report with the CSRC within three working days after the submission of its application for an overseas listing.

The Trial Administrative Measures stipulates that no overseas offering and listing shall be made under any of the following circumstances (among others) (i) where such fundraising offering and listing is explicitly prohibited by provisions in laws and regulations; (ii) where the intended securities offering and listing may endanger national security; (iii) where the domestic company intending to make the securities offering and listing, or its controlling shareholders and the actual controller, have committed crimes such as corruption, bribery, embezzlement, misappropriation of property or undermining the order of the socialist market economy during the latest three years; (iv) where the domestic company intending to make the securities offering and listing is suspected of committing crimes or major violations of laws and regulations, and is under investigation according to law, and no conclusion has yet been made thereof; or (v) where there are material ownership disputes over the equity held by controlling shareholders or by other shareholders that are controlled by controlling shareholders or actual controllers.

To enhance confidentiality and archive management for domestic enterprises' overseas offerings and listings, CSRC, MOF, National Administration of State Secrets Protection, and National Archives Administration revised regulations. The updated Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings (CSRC Announcement [2009] No. 29) (《關於加強在境外發行證券與上市相關保密和檔案管理工作的規定》(證監會公告[2009]29號) were replaced with the Provisions on Strengthening Confidentiality and Archives Administration Concerning Overseas Securities Offerings and Listings by Domestic Enterprises (CSRC Announcement [2023] No. 44) (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》(證監會公告[2023]44號) which became effective on March 31, 2023. These provisions now cover domestic joint stock companies directly listing overseas and entities indirectly listing abroad. They outline procedural requirements and specify enterprises' confidentiality responsibilities and accounting archives administration, in alignment with the Trial Administrative Measures.

Full Circulation of H Shares

"Full circulation" represents listing and circulating on the Stock Exchange of the domestic unlisted shares of a domestic H-share listed company, including unlisted domestic shares held by domestic shareholders prior to overseas listing, unlisted domestic shares additionally issued after overseas listing, and unlisted shares held by foreign shareholders. On August 10, 2023, CSRC announced the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies (《H股公司境內未上市股份申請「全流通」業務指引》), allows certain qualified H-share listed companies and H-share companies to be listed for the application of full circulation to CSRC.

According to the Guidelines for the "Full Circulation" Program for Domestic Unlisted Shares of H-share Listed Companies, shareholders of domestic unlisted shares may determine by themselves through consultation the amount and proportion of shares, for which an application will be filed for circulation, provided that the requirements laid down in the relevant laws and regulations and set out in the policies for state-owned asset administration, foreign investment and industry regulation are met, and the corresponding H-share listed company may be entrusted to file the said application for "full circulation". Pursuant to the Trial Administrative Measures, shareholders holding unlisted shares in the PRC should comply with the relevant requirements of the CSRC and appoint a domestic enterprise to file a report with the CSRC.

On December 31, 2019, China Securities Depository and Clearing Corporation Limited and Shenzhen Stock Exchange jointly announced the Measures for Implementation of H-share "Full Circulation" Business ("Measures for Implementation"). The businesses of cross-border share transfer registration, maintenance of deposit and holding details, transaction entrustment and instruction transmission, settlement, management of settlement participants, services of nominal holders, etc. in relation to the H-share "full circulation business", are subject to these Measures for Implementation. In order to fully promote the reform of H-shares "full circulation" and clarify the business arrangement and procedures for the relevant shares' registration, custody, settlement and delivery, China Securities Depository and Clearing Corporation Limited has issued the Circular on Issuing the Guidelines to the Program for "Full Circulation" of H-shares (《關於發佈<H股「全流通」業務指南>的通知》) in February 2020, which specified the business preparation, account arrangement, cross-border share transfer registration and overseas centralized custody, etc.

REGULATIONS RELATED TO THE COMMERCIAL SPACE INDUSTRY

Qualification Requirements for the Production of Civil Satellites

The Notice of the State Council on Issuing the Catalog of Investment Projects Subject to Government Confirmation (2016 Edition) (《國務院關於發佈政府核准的投資項目目錄(2016年本)的通知》) issued by the State Council in December 2016 stipulates that the production of civil satellites shall be subject to approval by the investment authority under the State Council. In accordance with the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) and the Administrative Regulation for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》), the specific approval process is as follows:

(1) ***Project Application and Document Submission:*** The project entity shall prepare a project application report (including the enterprise's basic information, project details, analysis of resource utilization, assessment of ecological and environmental impact, and analysis of economic and social impact) and submit it to the provincial development and reform authority, which will forward it to the NDRC within 5 working days of receipt.

(2) ***Review and Acceptance by the Approval Authority:*** The NDRC, as the approval authority, will review the submitted materials. If the documents are incomplete or non-compliant, the authority shall notify the project entity once within 5 working days to request supplementation or corrections. No notification within this period means the application is deemed accepted as of the date of submission.

(3) ***Interdepartmental Consultation and Evaluation***: If the project involves responsibilities of relevant industry regulators or local governments, the NDRC shall solicit written review opinions from them within 7 working days. If an evaluation is deemed necessary, the authority may commission a third-party assessment, which should generally be completed within 30 working days (extendable to 60 working days for complex projects).

(4) ***Approval Decision:*** The NDRC shall make a decision within 20 working days of accepting the application. For complex projects, this period may be extended to 40 working days upon approval (evaluation time is excluded from the approval timeline).

Pursuant to the Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》), any material changes to an approved project, such as adjustments to the construction location, significant modifications to investment or construction scale, or potential adverse impacts on the economy, society or environment, require the project entity to submit a formal written application to the original approval authority. The authority must issue a decision on the proposed changes within 20 working days of receiving the application.

Regulations on Radio Frequency Allocation

According to the Radio Regulations of the People's Republic of China (Revised in 2016) (《中華人民共和國無線電管理條例(2016修訂)》) issued on November 11, 2016, a permit is required for the use of radio frequencies, with the exception of the following frequencies: (i) frequencies of amateur radio stations, public speakerphone and compulsory radio stations; (ii) international fixed frequencies of international security and distress systems which are used for aviation, maritime mobile services and radio navigation services; and (iii) frequencies used by micro power short-distance radio transmitting equipment prescribed by the radio regulatory authority of the state. To obtain a permit for the radio frequency use permit, the following conditions shall be met: (i) the radio frequencies applied for comply with the provisions on the division and use of radio frequencies and have clear and specific purposes; (ii) the technical scheme for the use of radio frequencies is feasible; (iii) the applicant has corresponding professional and technical personnel; (iv) no harmful interference to other radio frequencies used in accordance with the law will be caused. The radio regulatory authority shall complete examination within 20 working days of the date of acceptance of an application for the use of radio frequencies, and shall make a decision of approving or disapproving in accordance with the aforementioned conditions and taking into comprehensive consideration national security needs and the availability of frequencies. To set up or use a radio station, the applicant shall apply to the radio regulatory authority for the radio station license, with the exception of the setup and use of the following radio stations: (i) ground public mobile communication terminals; (ii) single receiving radio stations; and (iii) micro power short-distance radio stations prescribed by the radio regulatory authority of the state. Except for amateur radio stations, the establishment and use of radio stations must meet the following conditions: (i) availability of radio frequencies; (ii) the radio transmitting equipment used has obtained a type approval certificate for radio transmitting equipment in accordance with the law and complies with the national product quality requirements; (iii) personnel familiar with radio management regulations and possessing relevant professional skills; (iv) a clear and specific purpose, with a feasible technical plan; and (v) an electromagnetic environment capable of ensuring the normal operation of the radio station, and the proposed radio station will not cause harmful interference to other lawfully operated radio stations. Entities seeking continued use of a radio frequency after permit expiration must file a renewal application with the relevant radio management authority at least 30 working days prior to expiry. The authority will review the application within 20 working days, considering national security requirements and frequency availability, to grant or deny renewal. Renewal applications for radio station licenses must also be submitted 30 working days before expiration. The radio management authority will conduct a review within 30 working days to assess compliance with technical and operational standards before approving or rejecting the renewal.

According to Measures for the Administration of the Permit for the Use of Radio Frequencies (《無線電頻率使用許可管理辦法》), to obtain a permit for the radio frequency use permit, the following conditions shall be met: (i) the radio frequencies applied for comply with the provisions on the division and use of radio frequencies and have clear and specific purposes; (ii) the technical scheme for the use of radio frequencies is feasible; (iii) the applicant has corresponding professional and technical personnel; (iv) no harmful interference to other radio frequencies used in accordance with the law will be caused; and (v) other conditions as proscribed by laws or administrative regulations. The use of satellite radio frequencies shall also comply with the relevant provisions on the administration of space radio business. The radio regulatory authority shall complete examination within 20 working days of the date of acceptance of an application and shall make a decision of approving or disapproving permit. Where a decision is unable to be made within 20 working days, with approval of the person in charge of the radio regulatory authority, 10 working days may be extended and the applicant shall be informed of the reasons for the extension. The term of a radio frequency use permit shall not exceed ten years. Where the radio frequency needs to be used after the expiry of the permit, an extension application shall be filed with the radio regulatory authority which makes the decision at least 30 working days before the expiration of the term.

As stipulated in the Measures for the administration of registration of space objects (《空間物體登記管理辦法》), registrants shall submit the registration materials to the State Administration of science, Technology and Industry for National Defence and complete the registration procedures within 60 days after the space object enters the space orbit. Registrants must update the registry within 60 days of any significant change to a space object's status, including orbital adjustments, structural disintegration, operational termination or atmospheric re-entry.

REGULATIONS ON THE APPROVAL AND FILING MANAGEMENT OF ENTERPRISE INVESTMENT PROJECTS

The Regulations on the Approval and Filing Management of Enterprise Investment Projects (《企業投資項目核准和備案管理條例》) were promulgated on November 30, 2016, and implemented from February 1, 2017. The Administrative Measures for the Approval and Filing of Enterprise Investment Projects (《企業投資項目核准和備案管理辦法》) were issued on March 8, 2017, and implemented on April 8, 2017 and amended by the Decision of the National Development and Reform Commission on Revision of Regulations and Administrative Normative Documents on Investment Management (《國家發展改革委關於修訂投資管理有關規章和行政規範性文件的決定》) issued on March 23, 2023 and implemented on May 1, 2023. According to these regulations and measures, projects related to national security, significant national productivity layouts, strategic resource development and major public interests are subject to approval management. The determination of specific projects and approval authority is governed by the investment project catalogue approved by the government. This catalogue is proposed by the investment authority under the State Council in conjunction with relevant departments of the State Council, implemented following the State Council's approval and adjusted periodically. Except for special provisions, other projects are subject to filing management, typically following the principle of territoriality, with local governments stipulating the filing authorities and their powers.

REGULATIONS RELATING TO LAND, PLANNING AND CONSTRUCTION PERMITS

Land Use Rights

According to the Land Administration Law of the PRC (《中華人民共和國土地管理法》) promulgated by the SCNPC on June 25, 1986, last amended on August 26, 2019 with effect from January 1, 2020, lands owned by China might be allocated to be used by units or individuals in accordance with the law. According to the Interim Regulations on Real Estate Registration (《不動產登記暫行條例》), promulgated on November 24, 2014 and last amended on March 10, 2024 and brought into effect on May 1, 2024, the real estate registration shall be conducted by the real estate registration authority.

According to the Civil Code, the creation, alteration, alienation or extinguishment of a real right of the immovable property that is required by law to be registered becomes effective at the time when it is recorded in the register of immovable property. The real right certificate for immovable property is the proof of a right holder's entitlement to the right in the immovable property.

Construction Land Planning Permit

According to the Urban and Rural Planning Law of the PRC (《中華人民共和國城鄉規劃法》) (the "Urban and Rural Planning Law") promulgated by the SCNPC on October 28, 2007, implemented on January 1, 2008 and amended on April 24, 2015 and April 23, 2019 respectively, a Construction Land Planning Permit is required for the right to use the State-owned land acquired by transfer and allocation.

Construction Work Planning Permit

According to the Urban and Rural Planning Law, to build any building, structure, road, pipeline or conduct other engineering project within a city or town planning area, the relevant construction entity or individual shall apply for a Construction Work Planning Permit from a competent urban and rural planning administrative department.

Construction Work Commencement Permit

According to the Construction Law of the PRC (《中華人民共和國建築法》) promulgated by the SCNPC on November 1, 1997, implemented on March 1, 1998 and last amended on April 23, 2019, a construction entity shall, prior to the commencement of a construction project, apply for a Construction Work Commencement Permit to a competent construction administrative department of the place where the project is located pursuant to relevant regulations, except for small projects below the limit determined by the construction administrative department of the State Council. The entity in charge of construction should start to build the projects within three months since obtaining construction licenses.

Inspection and Acceptance on Completion of Construction Projects

According to the Regulations on the Administration of Construction Quality and the Administrative Measures for Recording of the Inspection and Acceptance on Construction Completion of Buildings and Municipal Infrastructures (《房屋建築和市政基礎設施工程竣工驗收備案管理辦法》) promulgated and implemented by the former Ministry of Construction on April 4, 2000 and amended on October 19, 2009, a construction project shall not be delivered for use unless it has passed the acceptance checks. The construction entity should file a record to a competent construction administrative department of the place where the project is located within 15 days from the day when the construction project passes the acceptance checks.

REGULATIONS RELATING TO SAFETY PRODUCTION

According to the Safety Production Law of the PRC (《中華人民共和國安全生產法》), promulgated by the SCNPC on June 29, 2002 and last amended with effect from September 1, 2021, any enterprise that carries out production and business operation activities shall (1) abide by the Safety Production Law of the PRC and other laws and regulations related to production safety, strengthen production safety management, establish a sound production safety responsibility system and formulate a set of production safety rules and regulations for all employees; (2) increase the efforts to guarantee the input of funds, supplies, technology and personnel to production safety, improve production safety conditions, and strengthen standardization and informatization of production safety; (3) construct a "dual-prevention" mechanism consisting of graded management and control of safety risks and examination and control of potential risks, improve the risk prevention and resolution mechanism, enhance production safety levels and ensure production safety. Enterprises that do not have the conditions for safe production shall not engage in production and business activities.

According to the Measures for the Supervision and Administration of "Three Simultaneities" for the Safety Facilities of Construction Projects (《建設項目安全設施"三同時"監督管理辦法》), which were promulgated by the former State Administration of Work Safety (now the Ministry of Emergency Management) on April 2, 2015 and became effective on May 1,2015, the safety facilities of a construction project must be designed, constructed and put into operation simultaneously with the major construction works of the construction project.

REGULATIONS RELATED TO FIRE PREVENTION

Fire Protection Design Review and Final Inspection

According to the Interim Provisions on the Administration of Examination and Acceptance of Fire Prevention Design of Construction Projects (《建設工程消防設計審查驗收管理暫行規定》) promulgated by the Ministry of Housing and Urban-Rural Development on April 1, 2020 and effective on June 1, 2020, and recently amended on August 21, 2023, the fire protection design review system shall apply to special construction projects which a hotel, a restaurant, a shopping mall or a market, with a GFA of more than 10,000 sq.m. Where an as-built special construction project undergoes the final inspection formalities, the construction entity shall file an application for fire protection final inspection with the competent department of fire protection design review and final inspection; where the project fails to undergo or pass the fire protection design review, it shall be prohibited from being put into use.

According to the Fire Prevention Law of the PRC (《中華人民共和國消防法》) promulgated by the SCNPC on April 29, 1998 and recently amended on April 29, 2021, where a construction project that is subject to fire protection final inspection according to the law fails or is nonconforming as established by the fire protection final inspection, it shall be prohibited from being put into use; and any other construction project that is nonconforming as established by random inspection conducted under the law shall cease to be used.

REGULATIONS RELATED TO ENVIRONMENTAL PROTECTION

Environmental Protection Law

The Environmental Protection Law of the PRC (《中華人民共和國環境保護法》) (the "Environmental Protection Law"), was promulgated and effective on December 26, 1989, and last amended with effect from January 1, 2015. The Environmental Protection Law has been formulated for the purpose of protecting and improving both the living and the ecological environment, preventing and controlling pollution and other public hazards and safeguarding people's health. Pursuant to the Environmental Protection Law, construction projects that have environmental impact shall be subject to environmental impact assessment. Installations for the prevention and control of pollution in construction projects must be designed, built and commissioned together with the principal construction plan of the project.

Laws on Environment Impact Assessment

Pursuant to the Law of the PRC on Environment Impact Assessment (《中華人民共和國環境影響評價法》) issued on October 28, 2002 and most recently amended on December 29, 2018, the State Council implemented an environmental impact assessment, or EIA, to classify construction projects according to the impact of the construction projects on the environment. Constructing entities shall prepare an environmental impact report, or an EIR, or an environmental impact statement, or an EIS, or fill out the EIR Form according to the following rules: (i) for projects with potentially serious environmental impacts, an EIR shall be prepared to provide a comprehensive assessment of their environmental impacts; (ii) for projects with potentially mild environmental impacts, an EIS shall be prepared to provide an analysis or specialized assessment of the environmental impacts; and (iii) for projects with very small environmental impacts, an EIA is not required but an EIR Form shall be completed.

Export Control and Confidentiality Regulations for Commercial Satellites

The Notice of the State Administration of Science, Technology, and Industry for National Defense and the Equipment Development Department of the Central Military Commission on Promoting the Systematic Development of Miniature Satellites and Strengthening Safety Management (《國家國防科技工業局、中央軍委裝備發展部關於促進微小衛星有序發展和加強安全管理的通知》) issued on May 7, 2021 stipulates that institutions and individuals engaged in scientific research, production, launch, measurement and control, and application of miniature satellites must not endanger public security or harm national interests.

REGULATIONS ON THE CONTROLLING OF THE IMPORT AND EXPORT OF PRODUCTS

Foreign Trade

According to the Foreign Trade Law of the PRC (《中華人民共和國對外貿易法》) (the "Foreign Trade Law") promulgated by the SCNPC on May 12, 1994, amended on December 30, 2022, and recently amended on December 27, 2025, Implemented on March 1, 2026, foreign trade operators are not required to register since December 30, 2022. The PRC government permits the free import and export of commodities and technologies, unless otherwise provided by laws and administrative regulations.

Customs Law

According to the Customs Law of the PRC (《中華人民共和國海關法》) adopted by the SCNPC on January 22, 1987, most recently amended on April 29, 2021 and effective from the same date, the Customs of the People's Republic of China is the state's entry and exit customs supervision and administration authority. According to the relevant laws and administrative regulations, the Customs supervises the transportation vehicles, goods, luggages, postal articles and other articles entering and leaving the country, collects customs duties and other taxes and fees, prevents and counters smuggling, compiles customs statistics and handles other customs operations.

LAWS IN RELATION TO PRODUCT QUALITY

Pursuant to the Product Quality Law of the PRC (《中華人民共和國產品質量法》) promulgated on February 22, 1993 and latest amended on December 29, 2018 by the SCNPC, the seller shall be responsible for the repair, replacement or return of the product sold if (i) the product sold does not possess the properties for use that it should possess, and no prior and clear indication is given of such a situation; (ii) the product sold does not conform to the applied product standard as carried on the product or its packaging; or (iii) the product sold does not conform to the quality indicated by such means as a product description or physical sample. If a consumer incurs losses as a result of the purchased product, the seller shall compensate for such losses.

Under the Civil Code of the People's Republic of China (《中華人民共和國民法典》) (the "Civil Code", effective from January 1, 2021) adopted by the National People's Congress on May 28, 2020, a producer or a commercial seller is subject to liability for physical injury or property loss caused by the product defects. The aggrieved party may seek compensation from the producer or the commercial seller. Where the aggrieved party seeks compensation from the commercial seller, the commercial seller has the right to make a claim against the liable producer after it has made compensation.

REGULATIONS REGARDING THE SALE OF PRODUCTS

Laws Related to Anti-Unfair Competition

The Anti-Unfair Competition Law of the PRC (《中華人民共和國反不正當競爭法》) promulgated by the Standing Committee of the National People's Congress on September 2,1993, and effective from December 1, 1993, and amendment taking effect on April 23, 2019, with the latest amendment on June 27th, 2025 and Effective on October 15, 2025, has established several measures to combat unfair competition and protect market order. These measures include prohibiting acts such as unfair prize promotions and dumping to exclude market competitors.

REGULATIONS ON CYBER INFORMATION SECURITY, DATA SECURITY AND PRIVACY PROTECTION

Cyber Information Security and Data Protection

On November 7, 2016, the Cyber Security Law of the PRC (《中華人民共和國網絡安全 法》) (the "Cyber Security Law") was promulgated by the SCNPC and became effective on June 1, 2017, latest amended on October 28, 2025, and effective on January 1, 2026, which requires that a network operator (including, among others, internet information services providers) take technical measures and other necessary measures in accordance with applicable laws and regulations and the compulsory requirements of the national and industrial standards to ensure the secure and stable operation of the network, effectively cope with cyber security events, prevent criminal activities committed on the network, and protect the integrity, confidentiality and availability of network data. Any violation of the provisions and requirements under the Cyber Security Law may subject a network operator to warnings, fines, confiscation of illegal gains, revocation of licenses, cancellation of filings, close down of websites or even criminal liabilities.

On July 30, 2021, the State Council promulgated the Regulations for Safe Protection of Critical Information Infrastructure (《關鍵信息基礎設施安全保護條例》) (the "**CII Regulations**") which came into effect on September 1, 2021. Pursuant to the CII Regulations, critical information infrastructure refers to important network infrastructure and information system in public telecommunications, information services, energy sources, transportation, water conservation, finance, public services, e-government affairs and national defense and other related technology industries, as well as others in which any destruction or data leakage will have severe impact on national security, the nation's welfare, the people's living and public interests. The CII Regulations provide for the specific requirements of CIIOs' responsibilities and obligations, which include, among others, that the CIIOs shall give priority to purchasing the safe and reliable network products and services, and the procurement of network products and services that may affect national security shall be subject to security review in accordance with national cyber security regulations. The CII Regulations has also specified the penalties, such as fines, for the failure of CIIOs to fulfill their security protection responsibilities.

For purposes of ensuring the security of the supply chain for critical information infrastructure and safeguarding national security, the Measures for Cyber Security Review (the "**Cybersecurity Review Measures**") (《網絡安全審查辦法》) was jointly issued by the CAC, the NDRC, the MIIT, the Ministry of Public Security (the "**MPS**"), the Ministry of State Security, the MOF, the MOFCOM, the PBOC, the SAMR, the National Radio and Television Administration, the CSRC, the National Administration of State Secrets Protection and the State Cryptography Administration on December 28, 2021 and took effect on February 15, 2022. The Cyber Security Review Measures specifies that the procurement of network products and services by a CIIO and the activities of data process carried out by a network platform operator that raise or may raise "national security" concerns shall be subject to strict cyber security review by the Cyber Security Review Office established by the CAC. Before such CIIO purchases internet products and services, it should assess the potential risk of national security that may be caused by the use of such products and services. If such use of products and services may give raise to national security concerns, it should apply for the cyber security review by the Cyber Security Review Office and a report of analysis of the potential effect on national security shall be submitted when the application is made. In addition, network platform operators that possess the personal data of at least one million users must apply for the cyber security review by the Cyber Security Review Office before "foreign" listing (國外上市). The Cyber Security Review Office may voluntarily conduct cyber security review if any network products and services, activities of data process or listing of companies overseas affects or may affect national security. Pursuant to the Cyber Security Review Measures, any violation shall be punished in accordance with the Cyber Security Law and the Data Security Law, the sanctions under which include, among others, government enforcement actions and investigations, fines, penalties, suspension of non-compliant operations. On December 24, 2024, the Company and the Company's PRC Legal Advisor have conducted a real-name telephone consultation and communication with the competent regulatory authority, the China Cybersecurity Review, Certification and Market Regulation Big Data Center (中國網絡安全審查認證和市場監管大數據中心, the "**CCRC**"), and CCRC has confirmed that a listing in Hong Kong does not fall within the scope of the term of "listing abroad (國外上市)" under the Cybersecurity Review Measures.

Given that (i) as of the Latest Practicable Date, we had not been notified by any competent governmental authorities as a CIIO; (ii) CCRC has confirmed that listing in Hong Kong does not constitute a listing abroad (國外上市); and (iii) as of the Latest Practicable Date, we had not received any notice that we are required to conduct a cybersecurity review or our data processing activity affects or may affect national security, and the interpretation of activities that "affect or may affect national security" under the current PRC laws and regulations requires further clarification from the competent authorities, therefore, as advised by our PRC Legal Advisor, we were of the view that we are not obliged to apply for a cybersecurity review pursuant to the Cybersecurity Review Measures with respect to our Proposed [**REDACTED**]. However, as further advised by our PRC Legal Advisor, the interpretation and implementation of these laws and regulations with respect to the cybersecurity review keep evolving, we cannot assure you that there will not be any additional regulatory requirements regarding the cybersecurity review relating to the new laws and regulations, and we are suggested by our PRC Legal Advisor that we should keep abreast of the applicable laws and regulations in this regard and implement all necessary measures in a timely manner to ensure compliance with the relevant laws and regulations.

On September 24, 2024, the Cyber Data Security Regulations (《網絡數據安全管理條例》) was promulgated by the State Council and came into effect on January 1, 2025. The Cyber Data Security Regulations reiterate the general regulations for data processing activities and rules of personal information protection, important data security protection, network data cross-border transfer management, and internet platform service providers' obligations. The Cyber Data Security Regulations do not include the content related to cybersecurity review standards for listing abroad and in Hong Kong in the Administration Governing the Cyber Data Security (Draft for Comments), published on November 14, 2021.

According to the Data Security Law of the PRC (《中華人民共和國數據安全法》) passed by the SCNPC on June 10, 2021 and implemented on September 1, 2021, the state establishes a classified and tiered system for data protection. The use of the internet and other information networks to carry out data processing activities shall, on the basis of the hierarchical network security protection system, fulfill the obligations of data security protection. The processors of important data shall, in accordance with relevant provisions, carry out risk assessment on their data processing activities on a regular basis and submit risk assessment reports to the relevant competent authorities. Those who fail to fulfill the obligations of data security protection and provide important data abroad in violation of the law will be ordered to correct, warned, fined, suspended with their business or suspended for rectification, or revoked of relevant business licenses.

On July 7, 2022, the CAC promulgated the Measures for the Security Assessment of Cross-border Data Transmission (《數據出境安全評估辦法》), which came into effect on September 1, 2022. According to the Measures for the Security Assessment of Cross-border Data Transmission, a data processor shall apply for a data export security assessment when it provides personal information or important data collected and generated in the course of its business operation within the PRC to a recipient outside the PRC under certain circumstances On March 22, 2024, the CAC issued the *Provisions on Promoting and Regulating Cross-border Flow of Data*, or the New Cross-border Data Flow Provisions, which took effect on the same day. The New Cross-border Data Flow Provisions state that if there is any conflict with the Measures for the Security Assessment of Cross-border Data Transmission, the New Cross-border Data Flow Provisions shall prevail. The New Cross-border Data Flow Provisions set out scenarios under which certain obligations for the cross-border data transfer are waived, which include, among others, passing the security assessment of cross-border data transfer, concluding a standard contract for the cross-border transfer of personal information or passing the personal information protection certification.

Privacy Protection

On May 28, 2020, the National People's Congress promulgated the Civil Code, which came into effect on January 1, 2021. According to the Civil Code, the personal information of natural persons is protected by law. Any entity or individual who needs to obtain personal information of any other individual shall obtain such information legally and ensure the security of such information, and shall not unlawfully collect, use, process, or transmit the personal information of any other individual or unlawfully purchase, sell, provide, or disclose to the public the personal information of any other individual.

On August 20, 2021, the Law of the People's Republic of China on the Protection of Personal Information (《中華人民共和國個人信息保護法》) (the "**Personal Information Protection Law**") was promulgated by the SCNPC and came into effect on November 1, 2021. Personal information, as defined in the Personal Information Protection Law, refers to all kinds of information related to an identified or identifiable natural person recorded electronically or by other means, excluding the information that has been anonymized. The Personal Information Protection Law stipulates the circumstances in which a processor of personal information may process personal information, including, but not limited to, when the consent of the individual concerned has been obtained and when it is necessary for the conclusion or performance of a contract to which the individual is a party. It has also set out a number of specific rules on the obligations of processors of personal information, such as informing individuals of the purpose and method of processing. Personal information processors who violate the provisions and requirements of the Personal Information Protection Law may be subject to correction, warning, fines, suspension of related business, revocation of licenses, entry into credit files, or even criminal liability.

LAWS AND REGULATIONS RELATING TO INTELLECTUAL PROPERTY

Trademark Law

The Trademark Law of the PRC (《中華人民共和國商標法》) (the "**Trademark Law**") and the Regulation on the Implementation of the Trademark Law of the PRC (《中華人民共和國商標法實施條例》) govern trademark registration, protection, and usage in China. Enacted on August 23, 1982, and last amended on April 23, 2019, the Trademark Law, effective from November 1, 2019, follows the "first-to-file" principle. It grants exclusive rights to trademark registrants, administered by the Trademark Office of the NIPA. Registered trademarks are valid for ten years, renewable in ten-year increments. Renewal procedures must be completed within twelve months before expiry, with a possible six-month extension.

Patent Law

The Patent Law of the PRC (《中華人民共和國專利法》) (the "**Patent Law**") and the Implementation Rules of the Patent Law of the PRC (《中華人民共和國專利法實施細則》) govern patent activities in China. Enacted on March 12, 1984, and last amended on October 17, 2020, the Patent Law became effective on June 1, 2021. The Patent Office of the NIPA oversees national patent work. Provincial, autonomous region, or municipal patent administration departments handle local jurisdictions. The Patent Law and its Implementation Rules recognize three patent types: "invention," "utility model," and "design." Invention patents cover new technical solutions for products, methods, or their improvements. Utility model patents apply to practical technical solutions for product shapes, structures, or combinations. Design patents protect new aesthetic designs for products, including shape, pattern, and color combinations. Invention patents are valid for twenty years, design patents for fifteen years, and utility model patents for ten years from the application date.

Copyright Law

Pursuant to the Copyright Law of the People's Republic of China (《中華人民共和國著作權法》) promulgated by the SCNPC on September 7, 1990 and most recently amended on November 11, 2020 and effective from June 1, 2021, Chinese citizens, legal persons or unincorporated organizations shall, whether published or not, enjoy copyright in their works in accordance with the law. Unless otherwise provided in the Copyright Law of the People's Republic of China and other related system and laws and regulations, reproducing, distributing, performing, projecting, broadcasting or compiling a work or communicating the same to the public via an information network without permission from the owner of the copyright therein, shall constitute infringements of copyrights. The infringer shall, according to the circumstances of the case, undertake to cease the infringement, eliminate impact, and offer an apology, pay damages and other civil liabilities. In exercising the rights, copyright owners and copyright related rights holders shall not be in violation to the Constitution and laws nor prejudice to public interests. According to the Measures for the Registration of Computer Software Copyright (《計算機軟件著作權登記辦法》) issued by the Ministry of Machine Building and Electronics Industry (currently incorporated into the Ministry of Industry and Information Technology) on April 6, 1992 and most recently amended on June 18, 2004 and Effective on July 1, 2004, and the Regulations on Protection of Computer Software (《計算機軟件保護條例》) promulgated by the State Council on June 4, 1991 and most recently amended on January 30, 2013 and effective from March 1, 2013, the State Copyright Administration shall be responsible for the administration of software copyright registration nationwide, and the China Copyright Protection Center is recognized as the software registration authority.

Domain Names

Pursuant to the Measures for the Administration of Internet Domain Names (《互聯網域名管理辦法》) promulgated by the Ministry of Industry and Information Technology on August 24, 2017 and effective from November 1, 2017, the Ministry of Industry and Information Technology supervises and administers domain services nationwide. The principle of "first come, first serve" is followed for the domain name registration service. Applicants of domain name registration shall provide the domain name registration authority with true, accurate and complete information about the identity of the domain name holder for registration purpose, and sign a registration agreement with it. After completing the domain name registration, the applicant becomes the holder of the domain name registered by him/it.

LAWS AND REGULATIONS ON LABOR AND SOCIAL SECURITY

Labor Law and Labor Contract Law

According to the Labor Law of the PRC (《中華人民共和國勞動法》) promulgated on July 5, 1994 and amended on August 27, 2009 and December 29, 2018, enterprises shall establish and improve their system of work place safety and sanitation, strictly abide by state rules and standards on work place safety, and conduct employees training on labor safety and sanitation in the PRC. Labor safety and sanitation facilities shall comply with statutory standards. Enterprises and institutions shall provide employees with a safe work place and sanitation conditions which are in compliance with applicable laws and regulations of labor protection.

The Labor Contract Law of the PRC (《中華人民共和國勞動合同法》) promulgated on June 29, 2007 and amended on December 28, 2012, and the Implementation Rules of the Labor Contract Law of the PRC (《中華人民共和國勞動合同法實施條例》) promulgated on September 18, 2008 set out specific provisions in relation to the execution, the terms and the termination of a labor contract and the rights and obligations of the employees and employers, respectively. At the time of hiring, the employers shall truthfully inform the employees the scope of work, working conditions, working place, occupational hazards, work safety, salary and other matters which the employees request to be informed about.

Social Insurance and Housing Provident Fund

Pursuant to the Social Insurance Law of the PRC (《中華人民共和國社會保險法》) which was promulgated on October 28, 2010 and with effect from July 1, 2011 and latest amended on December 29, 2018, and the Interim Regulations on the Collection of Social Insurance Fees (《社會保險費徵繳暫行條例》) issued by the State Council on January 22, 1999 and last amended on March 24, 2019, employees shall participate in basic pension insurance, basic medical insurance and unemployment insurance. Basic pension, medical and unemployment insurance contributions shall be paid by both employers and employees. Employees shall also participate in work-related injury insurance and maternity insurance. Work-related injury insurance and maternity insurance contributions shall be paid by employers rather than employees. Pursuant to the Notice of the General Office of the State Council on Issuing the Plan for the Pilot Program of Combined Implementation of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於印發<生育保險和職工基本醫療保險合併實施試點方案>的通知》) and Opinions of the General Office of the State Council on Comprehensively Promoting the Implementation of the Combination of Maternity Insurance and Basic Medical Insurance for Employees (《國務院辦公廳關於全面推進生育保險和職工基本醫療保險合併實施的意見》) promulgated on January 19, 2017 and March 6, 2019, the maternity insurance and basic medical insurance for employees shall be consolidated. According to the Social Insurance Law of PRC, employers must carry out social insurance registration at the local social insurance agency, provide social insurance and pay or withhold the relevant social insurance premiums for or on behalf of employees.

According to the Regulations on the Administration of Housing Provident Fund (《住房公積金管理條例》) promulgated on April 3, 1999 and amended on March 24, 2002 and March 24, 2019, employers shall timely pay the housing provident fund in full and overdue or insufficient payment shall be prohibited. Employers shall process the housing fund payment and deposit registration in the housing provident fund administrative center.

The Interpretation (II) by the Supreme People's Court of Issues Concerning the Application of Law in the Trial of Labor Dispute Cases (《最高人民法院關於審理勞動爭議案件適用法律問題的解釋(二)》) ("Interpretation", promulgated by the Supreme People' Court of the PRC on July 31, 2025 and took effect on September 1, 2025, regulates issues related to the responsibility of the employers, confirmation of labor relations, service period and non-competition period, termination of labor contract performance and social security payment, among others. It regulates disputes in the field of social insurance, stipulating that if the employer and the employee agree or the employee promises to the employer that the employer does not need to pay social insurance premiums, the court shall determine that the relevant agreement or commitment is invalid. The employee has the right to terminate the labor contract based on this Interpretation and request the employer to pay economic compensation, and the court should support this in accordance with the relevant laws and regulations.

LAWS AND REGULATIONS IN THE PRC RELATING TO TAX

Income Tax Law

According to the PRC Enterprise Income Tax Law (《中華人民共和國企業所得稅法》) promulgated by the National People's Congress on March 16, 2007, and most recently amended on December 29, 2018 and effective from the same date and the Enterprise Income Tax Implementation

Regulations (《中華人民共和國企業所得稅法實施條例》) promulgated by the State Council on December 6, 2007, and most recently amended on December 6, 2024 and effective from January 20, 2025, enterprises are divided into resident enterprises and non-resident enterprises. Resident enterprises are enterprises which are set up in China in accordance with law, or which are set up in accordance with the law of a foreign country (region) but which are actually under the administration of institutions in China. Non-resident enterprises are enterprises which are set up in accordance with the law of a foreign country (region) and whose actual administrative institution is not in China, but which have institutions or establishments in China, or which have no such institutions or establishments but have income generated from inside China. Resident enterprises are subject to a uniform 25% enterprise income tax rate on their worldwide income. The enterprise income tax rate is reduced by 20% for qualifying small low-profit enterprises. The high-tech enterprises that need full support from the PRC's government will enjoy a 15% tax rate reduction for Enterprise Income Tax.

Income Tax Relating to Dividend Distribution

Pursuant to the Arrangement Between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income (《內地和香港特別行政區關於對所得避免雙重徵稅和防止偷漏稅的安排》) and relevant protocols, which were promulgated by the State Taxation Administration of The People's Republic of China ("STA") on August 21, 2006, came into effect on December 8, 2006, the withholding tax rate 5% applies to dividends paid by a PRC company to a Hong Kong company if such Hong Kong company directly holds at least 25% of the equity interests in a PRC company, otherwise the 10% withholding tax rate applies.

Pursuant to the Circular of STA on Relevant Issues relating to the Implementation of Dividend Clauses in Tax Agreements (《國家稅務總局關於執行稅收協定股息條款有關問題的通知》), which was promulgated by the STA and became effective on February 20, 2009, all of the following requirements shall be satisfied where a fiscal resident of the other party to a tax agreement needs to be entitled to such tax agreement treatment as being taxed at a tax rate specified in the tax agreement for the dividends paid to it by a Chinese resident company: (i) such a fiscal resident who obtains dividends should be a company as provided in the tax agreement; (ii) owner's equity interests and voting shares of the Chinese resident company directly owned by such a fiscal resident reaches a specified percentage; and (iii) the equity interests of the Chinese resident company directly owned by such a fiscal resident, at any time during the twelve months prior to the obtainment of the dividends, reach a percentage specified in the tax agreement.

Pursuant to the Administrative Measures on Entitlement of Non-resident Taxpayers to Preferential Treatment under Tax Treaties (《非居民納稅人享受協定待遇管理辦法》), which was promulgated by the STA on October 14, 2019, came into effect on January 1, 2020, nonresident taxpayers are entitled to preferential treatment under tax treaties through self-determination, self declaration and keeping and documenting relevant information for inspection. Where a non-resident taxpayer self-assesses and concludes that it satisfies the criteria for claiming treaty benefits, it may enjoy treaty benefits at the time of tax declaration or at the time of withholding through a withholding agent, simultaneously gather and retain the relevant materials pursuant to the regulations for future inspection, and subject to subsequent administration by tax authorities.

Value-added Tax

On December 25, 2024, the SCNPC promulgated the Value-added Tax Law of the PRC《中華人民共和國增值稅法》), which became effective on January 1, 2026. This new law establishes a unified legal framework for Value-added Tax by consolidating existing regulations and practices, maintaining the core multi-tier tax rate structure while refining tax exemption and credit mechanisms. It provides clearer guidance on taxpayer obligations, taxable activities, and computational methods, thereby enhancing the stability and transparency of China's Value-added Tax regime for businesses operating in the market.

According to the Announcement on Relevant Policies for Deepening Value-Added Tax Reform of the MOF, the State Taxation Administration and the General Administration of Customs (《財政部、稅務總局、海關總署關於深化增值稅改革有關政策的公告》) ("Announcement of the MOF of the PRC, the State Taxation Administration and the General Administration of Customs of the PRC [2019] No. 39") announced by the MOF, the State Taxation Administration, and the General Administration of Customs amended on August 22, 2025 and effective from September 1, 2025, with respect to VAT taxable sales or imported goods of a VAT general taxpayer, the originally applicable VAT rate of 16% shall be adjusted to 13%; the originally applicable VAT rate of 10% shall be adjusted to 9%.

REGULATIONS IN RELATION TO FOREIGN INVESTMENT

On March 15, 2019, the National People's Congress approved the Foreign Investment Law of the People's Republic of China (《中華人民共和國外商投資法》), and on December 26, 2019, the State Council promulgated the Implementing Rules of the Foreign Investment Law (《中華人民共和國外商投資法實施條例》) (the "Implementing Rules"), to further clarify and elaborate the relevant provisions of the Foreign Investment Law. The Foreign Investment Law and the Implementing Rules both took effect on January 1, 2020. Pursuant to the Foreign Investment Law, "foreign investments" refer to investment activities conducted by foreign investors (including foreign natural persons, foreign enterprises or other foreign organizations) directly or indirectly in the PRC, which include any of the following circumstances: (i) foreign investors setting up foreign-invested enterprises in the PRC solely or jointly with other investors; (ii) foreign investors obtaining shares, equity interests, property portions or other similar rights and interests of enterprises within the PRC; (iii) foreign investors investing in new projects in the PRC solely or jointly with other investors; and (iv) investment of other methods as specified in laws, administrative regulations, or as stipulated by the State Council. The Implementing Rules introduce a see-through principle and further provide that foreign-invested enterprises that invest in the PRC shall also be governed by the Foreign Investment Law and the Implementing Rules.

On October 26, 2022, the MOFCOM and the National Development and the NDRC, released the Catalog of Industries for Encouraging Foreign Investment (2022 Version) (《鼓勵外商投資產業目錄(2022年版)》) (the "Encouraging Catalog") which became effective on January 1, 2023, to replace the previous encouraging catalog. The Special Administrative Measure (Negative List) for the Access of Foreign Investment (2024 Version) (《外商投資准入特別管理措施(負面清單)(2024年版)》) (the "**Negative List**") was promulgated by the NDRC and the MOFCOM on September 6, 2024 and became effective on November 1, 2024. The Negative List enumerates ownership requirements, requirements for senior executives, and other special management measures in the aspect of the access of foreign investment for the industries that falls within the Negative List. Any field not on the Negative List shall be administered under the principle of equal treatment to domestic and foreign investment.

LAWS AND REGULATIONS RELATING TO FOREIGN EXCHANGE

The principal regulation governing foreign currency exchange in China is the Foreign Exchange Administration Regulations of the PRC (《中華人民共和國外匯管理條例》) which was promulgated by the State Council on January 29, 1996 and was latest amended on August 5, 2008. Pursuant to this regulation and other PRC rules and regulations on currency conversion, Renminbi is freely convertible for payments of current account items, such as trade and service-related foreign exchange transactions and dividend payments, but not freely convertible for capital account items, such as direct investment, loan or investment in securities outside China unless prior approval of the State Administration of Foreign Exchange (SAFE) or its local counterpart is obtained.

According to the Notice on Relevant Issue Concerning the Administration of Foreign Exchange for Overseas Listing (《關於境外上市外匯管理有關問題的通知》) issued by the SAFE on December 26, 2014, the domestic companies shall register the overseas listing with the foreign exchange control bureau located at its registered address in 15 working days after completion of the overseas listing and issuance. The funds raised by the domestic companies through overseas listing may be repatriated to China or deposited overseas, provided that the intended use of the fund shall be consistent with the contents of the document and other public disclosure documents.

On February 13, 2015, SAFE promulgated the Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), according to which, entities and individuals may apply for such foreign exchange registrations from qualified banks. The qualified banks, under the supervision of SAFE, may directly review the applications and conduct the registration. On March 30, 2015, SAFE promulgated the Circular on Reforming the Management Approach regarding the Settlement of Foreign Capital of Foreign-invested Enterprise (《關於改革外商投資企業外匯資本金結匯管理方式的通知》) (the "SAFE Circular 19"). According to the SAFE Circular 19, the foreign exchange capital of foreign-invested enterprises shall be subject to the Discretionary Foreign Exchange Settlement, which means that the foreign exchange capital in the capital account of a foreign invested enterprise for which the rights and interests of monetary contribution have been confirmed by the local foreign exchange bureau (or the book-entry registration of monetary contribution by the banks) can be settled at the banks based on the actual operational needs of the foreign-invested enterprise, and if a foreign-invested enterprise needs to make further payment from such account, it still needs to provide supporting documents and proceed with the review process with the banks. Furthermore, the SAFE Circular 19 stipulates that the use of capital by foreign-invested enterprises shall follow the principles of authenticity and self-use within the business scope of enterprises. The capital of a foreign-invested enterprise and capital in Renminbi obtained by the foreign-invested enterprise from foreign exchange settlement shall not be used for the following purposes: (i) directly or indirectly used for payments beyond the business scope of the enterprises or payments as prohibited by relevant laws and regulations; (ii) directly or indirectly used for investment in securities unless otherwise provided by the relevant laws and regulations; (iii) directly or indirectly used for granting entrust loans in Renminbi (unless permitted by the scope of business), repaying inter enterprise borrowings (including advances by the third-party) or repaying the bank loans in Renminbi that have been sub-lent to third parties; or (iv) directly or indirectly used for expenses related to the purchase of real estate that is not for self-use (except for the foreign-invested real estate enterprises).

The Notice on Further Simplifying and Improving the Direct Investment-related Foreign Exchange Administration Policies (《關於進一步簡化和改進直接投資外匯管理政策的通知》), (the "SAFE Circular 13"), which became effective on June 1, 2015 and was amended on December 30, 2019, cancels the administrative approvals of foreign exchange registration of direct domestic investment and direct overseas investment and simplifies the procedure of foreign exchange-related registration. Pursuant to SAFE Circular 13, investors should register with banks for direct domestic investment and direct overseas investment.